

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CU-02 AID-05 USIA-06 PA-01 PRS-01 SS-15

NSC-05 IGA-02 AGR-05 /053 W
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R 271035Z JAN 76

FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 9523

C O N F I D E N T I A L CAIRO 1030

DEPARTMENT PASS AID

E.O. 11652: GDS

SUBJECT: EDUCATIONAL PROJECTS, INC. AGREEMENT WITH EGYPTIAN
UNIVERSITIES

SUMMARY: FRANK NOWAK, PRESIDENT OF EDUCATIONAL PROJECTS, INC.,
SIGNED AGREEMENT WITH MINISTER HIGHER EDUCATION WHICH LOCAL
PRESS REPORTED AS EPI COMMITMENT TO PROVIDE NEARLY \$11 MILLION
IN MATERIALS, FACILITIES AND ASSISTANCE TO THREE MAJOR EGYPTIAN
UNIVERSITIES. NOWAK INSISTS IT MADE CLEAR THAT TWO WERE ONLY
SIGNING A PROPOSAL WHICH THEY WOULD JOINTLY SUBMIT TO LIKELY
DONORS. MISSION EXPECTS TO FUND SOME ELEMNTNS OF PROPOSAL BUT
NOT ALL, AND WE EXPECT MOUNTED PRESSURE TO FUND TOTAL PROJECT
DUE THIS PUBLIC COMMITMENT OF HIGHER EDUCATION OFFICIALS.

1. ON JANUARY 19, FRANK NOWAK, PRESIDENT OF EPI, PARTICIPATED
IN CEREMONY WHERE HE AND DR. HAFEZ GHANEM, DEPUTY PRIME MINISTER
OF HIGHER EDUCATION, SIGNED EDUCATIONAL PROJECTS, INC. (EPI)
PROPOSAL TITLED "UNIVERSITIES IN THE SERVICE OF EGYPTIAN ECONOMIC
DEVELOPMENT." CEREMONY AND FOLLOWING PRESS CONFERENCE WERE ALSO
ATTENDED BY DR. HASSAN ISMAIL, FORMER PRESIDENT CAIRO UNIVERSI-
TY AND CO-CHAIRMAN OF TWO JOINT WORKING GROUPS. DR. MOHAMED
DEWIDAR, PRESIDENT OF ALEXANDRIA UNIVERSITY, AND DR. AHMEN
WARETH, VICE-PRESIDENT AIN SHAMS UNIVERSITY, AMONG OTHER EDUCA-
TIONAL DIGNITARIES.

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2. MORNING JAN. 20 ALL LOCAL PAPERS CARRIED PROMINENT ARTICLES

ON NEARLY \$11 MILLION COOPERATION AGREEMENT BETWEEN AMERICAN AND EGYPTIAN UNIVERSITIES. EPI WAS CITED AS AGREEING TO PROVIDE THESE FUNDS OVER A FIVE-YEAR PERIOD FOR COOPERATIVE PROGRAMS AND FACILITIES/MATERIALS FOR ALEXANDRIA, CAIRO AND AIN SHAMS UNIVERSITIES. IN PRESS, NO MENTION MADE OF INVOLVEMENT OF ANY USG AGENCIES. ARABIC PRESS STRESSED MATERIAL BENEFITS TO BE RECEIVED -- LIBRARIES, COMPUTER CENTER, LABORATORIES AND NEW CENTERS.

3. IN LATER MEETING WITH TEMPLETON AND COLPITTS, NOWAK SAID HE HAD TRIED TO STOP CEREMONY BUT THAT HE WAS ASSURED BY DR. IBRAHIM BADRAN, VICE-PRESIDENT CAIRO UNIVERSITY, THAT MINISTER FULLY REALIZED THIS WAS ONLY AGREEMENT TO A PROPOSAL WHICH HAD RECEIVED NO FUNDING AS YET, AND FURTHER THAT EPI WAS NOT ABLE TO GUARANTEE OR OFFER FUNDS FOR THE PROJECT. NOWAK SAID THAT HE MADE CLEAR IN HIS STATEMENT TO PRESS THAT (A) THIS PROPOSAL HAD NOT YET RECEIVED FUNDS, (B) EPI AND MINISTRY WERE ONLY AGREEING THAT THESE TYPE OF PROJECTS SHOULD BE CARRIED OUT, AND (C) EPI WAS PREPARED TO ASSIST IF AND WHEN FUNDS WERE MADE AVAILABLE. SINCE MOST OF THE COMMENTS AT CEREMONY WERE MADE IN ARABIC, NOWAK IS UNSURE WHAT MINISTER AND UNIVERSITY REPRESENTATIVES ACTUALLY SAID, ALTHOUGH A RUNNING TRANSLATION BY DR. BADRAN INDICATED SOME REFERENCES WERE MADE TO PROPOSAL STATUS OF DOCUMENT BEING SIGNED. THIS DISTINCTION NOT CAPTURED BY PRESS SINCE PAPERS CLEARLY IDENTIFY DOCUMENT AS AN AGREEMENT, BACKED BY EPI FUNDS, WHICH ARE TO BE DIVIDED \$4.35 MILLION TO CAIRO UNIVERSITY, \$3.29 MILLION TO ALEXANDRIA, AND \$3.16 MILLION TO AIN SHAMS. FURTHERMORE, WE DOUBT THAT SO MANY INFLUENTIAL PERSONS WOULD BE INVOLVED IN PUBLIC COMMITMENT OF SUCH MAGNITUDE, UNLESS THEY FELT THAT THEY HAD ASSURANCES EITHER THAT FUNDING WAS T HAND OR THAT THE SIGNING OF THE AGREEMENT WOULD IN ITSELF LEAD TO FUNDING.

4. IN JOINT WORKING GROUP ON EDUCATION AND CULTURE, AID DIRECTOR TEMPLETON OUTLINED IN GENERAL TERMS THE ITEMS IN EPI PROPOSAL WHICH AID COULD SUPPORT AS PER OUR AID POSITION PAPER. COLPITTS IN PRIVATE CONVERSATIONS WITH DRS. SHAHBENDER AND BADRAN MORE EXPLICITLY INDICATED ELEMENTS AID COULD AND COULD NOT FUND. AID POSITION ALSO EXPLAINED IN DETAIL TO NOWAK BY COLPITTS IN TWO-HOUR MEETING TWO DAYS PRIOR TO CEREMONY. AT THIS TIME, NOWAK WAS ADVISED TO AVOID CEREMONY.

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5. NOT ONLY HAS THIS PROPOSAL AND ITS ATTENDANT PUBLICITY RAISED EGYPTIAN EXPECTATIONS, BUT REPORTS OF 13 EPI CONSORTIUM CONSULTANTS HIRED BY CAIRO UNIVERSITY TO DEVELOP PROJECTS IN SEVERAL AREAS RAISED BY EPI PROPOSAL WILL BE PRESENTED TO AID AS "OBJECTIVE EXPERT OPINION AND JUSTIFICATION" FOR FUNDING OF UNIVERSITY PROJECTS. FOUR SUCH CONSULTANT REPORTS HAVE NOW BEEN RECEIVED BY CAIRO UNIVERSITY, ONLY ONE OF WHICH (JUNIOR

COLLEGE EXPERIMENT-HIRT) HAS BEEN SEEN BY AID/CAIRO. AS EXPECTED, HIRT REPORT FALLS FAR SHORT OF JUSTIFYING SUCH EXPERIMENT.

6. USAID AND COLPITTS IN NEXT WEEKS WILL WORK WITH EGYPTIAN UNIVERSITY OFFICIALS TO PROGRAM THOSE ELEMENTS OF EPI PROPOSALS WE CAN SUPPORT, I.E., CONSULTANTS, OBSERVATION VISITS AND SHORT-TERM TRAINING THROUGH TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT PROJECT. WE WILL ALSO EXPLORE EDUCATIONAL PROBLEMS RELATED DIRECTLY TO DEVELOPMENT AREAS AND NUMBER OF PROBLEM AREAS IN WHICH UNIVERSITY RESEARCH AND TRAINING PLAY IMMEDIATE AND SINGLE ROLE SUCH AS CONSTRUCTION, AGRICULTURAL RESEARCH, ETC.

7. WE FEEL THAT EPI STAFF HAVE HANDLED POORLY THEIR INVOLVEMENT IN THIS PROJECT DEVELOPMENT WORK. THERE HAS BEEN NO ATTENTION GIVEN TO ANALYSIS OF AREAS RECOMMENDED; PROJECTS HAVE NOT BEEN LIMITED TO DEFINING AREAS OF MECHANISM FOR INSTITUTION-TO-INSTITUTION COOPERATION, BUT HAVE IN ALMOST EVERY CASE RECOMMENDED LONG-TERM INSTITUTIONAL DEVELOPMENT RELATIONS WHICH NEITHER INSTITUTION IS ABLE TO ACCOMPLISH WITHOUT MAJOR INVOLVEMENT OF OUTSIDE DONORS. LITTLE EFFORT HAS BEEN MADE TO STRUCTURE THE PROJECTS IN A WAY THAT LIKELY DONORS COULD SUPPORT THEM. FURTHERMORE, THE EPI REPRESENTATIVES FAILED TO COMPREHEND THE DIFFERENCE IN PERCEPTION OF THIS EFFORT HELD BY EPI AND EGYPTIAN UNIVERSITY PEOPLE. EPI ACQUIESCENCE TO A CEREMONY WHICH PUBLICLY EXPRESSED EGYPTIAN SATISFACTION OVER SUCCESSFUL CONCLUSION OF NEGOTIATIONS AND A COMMITMENT TO IMPLEMENT A PROGRAM WHICH REQUIRES PHYSICAL PRESENCE AND FACILITIES WAS ONLY LAST OF SEVERAL SUCH INDICATIONS OF THE EPI INSENSITIVITY OR LACK OF UNDERSTANDING OF POLITICAL MILIEU IN WHICH EPI AND OTHER SIMILARLY WELL-INTENTIONED ORGANIZATIONS ARE OPERATING IN EGYPT.

8. AID/CAIRO CAN BE RESPONSIVE TO MANY OF THE INDIVIDUAL ACTIVITIES PROPOSED BY EPI AND, IN SO DOING, WITHSTAND EGYPTIAN
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PRESSURE FOR USG FUNDING OF ENTIRE PROJECT. HOWEVER, EGYPTIANS WILL UNDOUBTEDLY COME TO FEEL THAT THEY WERE POORLY ADVISED BY EPI AND ACQUIESCENCE, LACK OF CONFIDENCE BETWEEN EGYPTIAN COUNTERPARTS AND EPI COULD DEVELOP AND EXTEND BEYOND THE EPI ORGANIZATION TO INCLUDE THE FOURTEEN U.S. UNIVERSITIES MAKING UP EPI CONSORTIUM. EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN ASSISTANCE, UNIVERSITY EDUCATION, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CAIRO01030
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760030-0857
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760119/aaaaaqij.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUN 2004 by BoyleJA>; APPROVED <05 OCT 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EDUCATIONAL PROJECTS, INC. AGREEMENT WITH EGYPTIAN UNIVERSITIES
TAGS: SCUL, EG, US, EDUCATIONAL PROJECTS INC, (NOWAK, FRANK)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006